

State of Michigan
Department of Labor & Economic Growth
Workers' Compensation Agency

Date: November 27, 2006

To: Jack Nolish, Director

From: Mark C. Long

Re: MCL 418.360 (Professional Athletes)

This memorandum is being written in follow up to our discussion regarding the calculation of general disability and partial disability compensation rates as they pertain to professional athletes. The payment of weekly benefits to professional athletes is modified from other employees in accordance with MCL 418.360. In essence this section absolves employers of liability for weekly indemnity once the professional athlete's earnings after the date of injury exceed 200% of the state's average weekly wage. The state's average weekly wage in 2006 was \$784.31; at 200% it equates to \$1,586.62 per week or \$81,568.24 per year.

The following outlines the calculation of a workers' compensation benefit rate as it pertains to both professional athletes and other employees when the individual is totally disabled.

Date of injury:	01/01/2006
Average Weekly Wage:	\$5000.00
Tax Filing Status:	Single with zero dependants
80% Rate:	\$2248.75
Weekly Benefit Rate:	\$ 706.00 (2006 max)

Assume the employee is now able to return to work and earns \$1000.00 per week.

Weekly Wage Earned:	\$1000.00
80% Rate:	\$ 563.38
Partial Calculation:	\$2248.75
	<u>(563.38)</u>
	\$1685.37 (exceeds max)
Weekly Benefit Rate:	\$706.00

Assume the employee returns to work and earns \$4000.00 per week.

Weekly Wage Earned:	\$4000.00
80% Rate:	\$1883.46

Partial Calculation:	\$2248.75
	<u>(1883.46)</u>
	\$ 365.29

Weekly Benefit Rate:	\$365.29
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However, since \$4000.00 exceeds 200 percent of the state's average weekly wage, the weekly benefit rate owed to a professional athlete would be zero. In further example of the limitation imposed by this section, if a non-professional athlete earned exactly 200% of the state's average weekly wage (\$1586.62 per week) the benefit rate owed to a typical employee would be \$706.00. However, the rate owed to the professional athlete would still remain at zero.

Year	State Average Weekly Wage (SAWW)	90% of SAWW (Maximum Benefit)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and P&T)
2006	\$784.31	\$706.00	\$522.87	\$392.16	\$196.08
2005	\$765.12	\$689.00	\$510.08	\$382.56	\$191.28
2004	\$744.49	\$671.00	\$496.33	\$372.25	\$186.12
2003	\$724.96	\$653.00	\$483.31	\$362.48	\$181.24
2002	\$715.11	\$644.00	\$476.74	\$357.56	\$178.78
2001	\$714.46	\$644.00	\$476.31	\$357.23	\$178.62
2000	\$678.23	\$611.00	\$452.15	\$339.12	\$169.56
1999	\$644.06	\$580.00	\$429.37	\$322.03	\$161.02
1998	\$614.10	\$553.00	\$409.40	\$307.05	\$153.53
1997	\$591.18	\$533.00	\$394.12	\$295.59	\$147.80
1996	\$581.39	\$524.00	\$387.59	\$290.70	\$145.35
1995	\$554.22	\$499.00	\$369.48	\$277.11	\$138.56
1994	\$527.29	\$475.00	\$351.53	\$263.65	\$131.82
1993	\$506.80	\$457.00	\$337.87	\$253.40	\$126.70
1992	\$489.01	\$441.00	\$326.01	\$244.51	\$122.25
1991	\$477.40	\$430.00	\$318.27	\$238.70	\$119.35
1990	\$474.22	\$427.00	\$316.15	\$237.11	\$118.56
1989	\$454.15	\$409.00	\$302.77	\$227.08	\$113.54
1988	\$440.77	\$397.00	\$293.85	\$220.39	\$110.19
1987	\$433.91	\$391.00	\$289.27	\$216.96	\$108.48
1986	\$414.70	\$374.00	\$276.47	\$207.35	\$103.68
1985	\$397.48	\$358.00	\$264.99	\$198.74	\$99.37
1984	\$370.65	\$334.00	\$247.10	\$185.33	\$92.66
1983	\$358.89	\$324.00	\$239.26	\$179.45	\$89.72
1982	\$340.45	\$307.00	\$226.97	\$170.23	\$85.11

*Discontinued fringe benefits may not be used to raise the weekly benefit above this amount.

*Attorney fees may not be based on a benefit rate higher than this amount.